GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:695
ANSWERED ON:15.05.2000
RESTRUCTURING OF CPSU
ANNA SAHEB M.K. PATIL

Will the Minister of POWER be pleased to state:

(a) whether the Government propose to restructure National Hydro Power Corporation, National Thermal Power Corporationand the Power Grid Corporation of India;

(b) if so, the details thereof;

(c) whether the Government have appointed any consultant committee to study the disinvestment process of these Central Power Sector Undertakings;

(d) if so, whether the report of the consultant committee has been received by the Government; and

(e) if so, the findings thereof?

Answer

THE MINISTER OF POWER

(SHRI P.R. KUMARAMANGALAM)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENTREFERREDTO IN REPLY TO PARTS (a) TO (e)OF STARREDQUESTIONNO.695 TO BE ANSWERED IN THE LOK SABHA ON 15.5.2000 REGARDING RESTRUCTURING OF CPSU.

(a) & (b) : In order to enable the Government to implementan Accelerated Power Development Programme, the Government is considering various options for mobilizing resources to supplement the funds likely to be provided in the plan and to leverage the strengths of different central public sector undertakings under the Ministry of Power. A final decision on the modality of leveraging the financial strength of different CPSUs covering various aspects like disinvestment,privatization etc. will be taken in consultation with Planning Commission and concerned Ministries.

(c) : M/s ICICI and M/s State Bank of India (SBI) Capital Markets were appointed as Consultants to suggestvarious options of raising resources of the Central PSUs to invest in Accelerated Power Development Programme.

(d) & (e) : ICICIand SBICapital Markets have suggested several options for financial engineering/restructuring of power sector CPSUs for generating additional resources. These options include:

(i) Disinvestment of GOI stake in CPSUs.

(ii) Sale of assets of CPSUs.

(iii) Cross holding in power sector CPSUs.

(iv) Consolidation of fragmented composites.